

LANGLEY & BANACK

INCORPORATED

Attorneys and Counselors at Law

April 5, 2024

Guillermo's, LLC  
c/o Mr. William J. Garza, President  
618 McCullough Ave.  
San Antonio, TX 78215

VIA E-MAIL ONLY

Dear Mr. Garza:

As part of establishing a relationship with a new client, we prepare an engagement letter. The purpose of such a letter is to generally set forth our understanding of the legal services to be performed and the basis on which we will be paid for those services.

Accordingly, this letter states the terms of our offer to represent Guillermo's, LLC in connection with a case to be filed by you pursuant to Chapter 11 of the United States Bankruptcy Code. This will include consultation and lead counsel representation in that legal proceeding.

We have found that reorganization cases proceed much more smoothly and assuredly if the Debtor also retains the services of an accountant. Because of the complexity of the law, this office has no expertise in tax matters even as they pertain to bankruptcy. Obviously, the Debtor will need to continue to file the appropriate tax reports and returns. In addition, the Debtor will be filing Schedules of Assets and Liabilities and monthly operating reports. It will also be developing and presenting a Plan of Reorganization. Accountants are invaluable in performing or providing assistance in those tasks. As with attorneys, in order for them to get paid it is necessary that accountants be appointed by the Court before they render any services. We strongly recommend that the Debtor retain the services of an accountant.

This office will be representing the Debtor in Possession of the bankruptcy estate which is, essentially the management of the estate. It is the duty of the Debtor in Possession, and therefore its management, to act in the best interest of the bankruptcy estate. Management may, on occasion, desire to act in its own interest rather than that of the estate. Should that occur, it is our duty to advise management against such action and, if management persists, to seek to withdraw from our representation because of the conflict regarding the conduct of the case. Shortly after the case is filed, the Court will issue an Order Relating to Duties of Attorneys for Debtors in Possession. We

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take this order very seriously and expect you to do so as well; we request that you read that Order carefully.

As we discussed, our practice is to require a retainer and the retainer in this case is estimated to be \$15,000.00, plus the filing fee in the amount of \$1,738.00. An initial payment towards the initial filing and filing fee has been paid in the amount of \$8,000.00 and offset against pre-petition legal services and the filing fee. Post-petition deposits will be required toward the retainer (estimate). The amount of the retainer represents our estimate, based upon our experience in such matters, of what our fees and expenses will be for the first few months of the case. Additional post-petition deposits may be required as needed. The retainer will be placed in our trust account for withdrawal pursuant to billing by this office prior to filing the bankruptcy case and pursuant to Court orders approving payment after the filing. In order to minimize administration and bookkeeping, the trust account is a general account which also contains funds from other cases. Pursuant to an Order of the Texas Supreme Court it is an interest bearing account but the interest is payable to the Texas Equal Access to Justice Foundation which is responsible for the tax on that income. Therefore, no interest is earned for payment to the Debtor or this office and none is reportable to the Internal Revenue Service.

This firm's fees are determined by the amount of time employees of the firm spend on the case. The current established rates are as follows:

William R. Davis, Jr.	\$400.00
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The rates are subject to change on an annual basis. You will be given notice of any change. Attorney travel time is billed at one-half the normal hourly rate. You will not be billed as travel time for any periods of travel during which work for you or another client is performed. Such periods of work will be billed as such independently of any additional periods of travel during which work was not performed.

We are mindful of the cost of legal services and always attempt to use associates, legal assistants, and law clerks whenever appropriate to keep the cost of our services as low as possible.

You can also help to keep the cost low by supplying all information and documents promptly when requested and in the form requested. In addition, although we would rather you make an inquiry before there is a problem and certainly are glad to respond to your concerns in order to try to ease your anxieties, you need to keep in mind that you are being charged for the time spent on the case. This includes telephone conversations. You will also be billed for expenses which we incur in performing the services. Expenses are charged at our cost and generally include copying costs (\$0.20 per page), facsimile transmissions (\$0.20 per page), long distance telephone calls, travel expenses, postage and extraordinary supplies.

Our customary procedure is to issue a Statement of Account after the first of each month for services rendered and expenses advanced during the previous month. It is the policy of our firm to itemize our monthly statements, including expenses. The monthly statements which you will be sent show

the amount of the unused retainer. When the retainer has been reduced to \$1,000.00, you are expected, on receipt of the statement, to deliver money to this office sufficient to satisfy the balance due on the statement and restore the reserve amount to \$1,000.00. The money received will be deposited into the Trust Account until payment is approved by the Court which requires application, notice and hearing. If delivery is not promptly made, this firm reserves the right to withdraw from its representation and to refuse to advance any more services or expenses. Our periodic applications to the Court for allowance and payment of fees and expenses do not affect delivery of funds to our trust account for later use in payment of Court ordered fees. We will hold all such monies in our trust account until the Court has permitted us to be paid. If we are able to obtain payment of our fees and expenses from the bankruptcy estate, this office will refund the amount it receives from third parties up to the amount recovered from the estate.

After the Plan is confirmed or the case is dismissed or converted to another chapter of the Bankruptcy Code, the unpaid balance will earn interest at ten percent (10%) per annum.

Our agreement in this case must be disclosed to the Bankruptcy Court and the creditors and is subject to review and objection. We do not expect objections because we believe that this agreement, including the fee schedule, expenses charged and policies concerning retainer disbursement are in compliance with the standards of the Bankruptcy Code and current Court rulings.

Delivered to you with a copy of this letter is a questionnaire for completion by the Debtor. The completed questionnaire must be returned to us at least seven (7) calendar days before the date on which you want the case filed. With the information supplied by the Debtor in the questionnaire we will prepare the Debtor's filing documents including the Schedules of Assets and Liabilities and Statement of Financial Affairs for your review and execution. If you don't timely return the completed questionnaire, we cannot be responsible for filing the case within the period requested by you.

Our firm is a member of Meritas, a not-for-profit organization of nearly 200 independent commercial law firms located in major cities throughout the world. While Meritas members are not engaged in the joint practice of law and do not share fees among themselves, membership in Meritas gives us, and our clients, important access to competent legal resources in other jurisdictions and to specialized areas of practice so that our clients' needs for legal services can be handled efficiently virtually anywhere. We will only utilize the services of another Meritas firm in connection with services provided to one of our clients with such client's express knowledge and consent, but we want all prospective clients to be aware of Meritas and its possible benefits to our clients. Further information about Meritas can be obtained at <http://www.meritas.org>MACROBUTTONHtmlResAnchor[www.meritas.org](http://www.meritas.org).

We believe this letter correctly sets forth our agreement with you. If it does, please sign below and return the original to us along with the retainer; if it does not, please call immediately so that we can correct any misunderstandings. Our representation does not begin until we have received a signed engagement agreement and the specified retainer.


The State Bar of Texas investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with a lawyer involves professional misconduct, the State Bar Office of General Counsel will provide you with information about how to file a complaint. For more information, please call 1/800/932/1900. This is a toll-free call.

We appreciate your contacting us. We look forward to working with you on this matter.

Very truly yours,

LANGLEY & BANACK, INC.

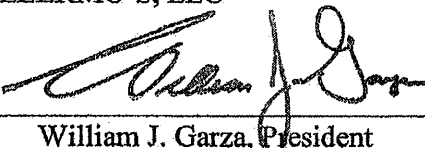
By:

  
WILLIAM R. DAVIS, JR.

APPROVED AND AGREED TO:

GUILLERMO'S, LLC

BY:

  
William J. Garza, President